

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA

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In re: _____ : Case No. 10-10071
(Chapter 11)

VEBLEN WEST DAIRY LLP,
Tax ID/EIN: 26-2017857,

Debtor. :

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AGSTAR'S MOTION FOR 2004 EXAMINATION AND PRODUCTION OF DOCUMENTS

Comes now AgStar Financial Services, PCA, and AgStar Financial Services, FLCA (hereinafter “movants”), by and through its attorneys of record, Woods, Fuller, Shultz & Smith P.C., and moves the Court for an Order for 2004 examinations and for production of documents on the following grounds and terms:

1. The Debtor filed a voluntary Chapter 11 petition in bankruptcy on or about April 7, 2010.
2. This Court has jurisdiction pursuant to 28 U.S.C. § 1334, 28 U.S.C. § 157, and the Order of General Reference.
3. This motion arises under Bankruptcy Rule of Procedure 2004.
4. Under Bankruptcy Rule of Procedure 2004, the Court, on the motion of any party in interest, may order the examination of any entity and the production of documentary evidence at any times or places it designates, which motion may be heard ex parte.

5. The movants are creditors in this case, holding a valid and perfected first blanket security interest in Debtor's personal property, whether now owned or after acquired, as well as first priority mortgages on the underlying real estate.

6. The collateral described above secures an indebtedness to movants in excess of \$18 million.

7. The movants need the opportunity to thoroughly examine Prairie Ridge Management, LLC ("Prairie Ridge"), by and through its President/CEO/Manager, Richard Millner, and related business records maintained by Prairie Ridge in order to properly protect itself, to prepare for forthcoming contested matters, and matters related to the operation of the Debtor's business and desirability of its continuance, to determine the source of any money or property acquired by or to be acquired by the Debtor and related entities, including the related consideration, and all other matters relevant to the case or to the formulation of a Plan, including but not limited to inter-company transfers, fraudulent conveyances, preferences and related insider transactions.

8. The movants desire to examine Richard Millner on Thursday, May 13, 2010, at the Marshall County Courthouse, located at 911 Vander Horck Avenue in Britton, South Dakota. Mr. Millner's examination will commence at 10:00 o'clock a.m., and continue until adjourned by movants.

9. The movants further request that Prairie Ridge produce and make available to movants' agents for inspection, copying, review, download and analysis, at Prairie Ridge's offices located in Veblen, South Dakota, commencing at 8:30 o'clock a.m., on

Wednesday, May 5, 2010, and concluding at 5:30 p.m. on Wednesday, May 5, 2010, the following described information and documents:

A. All books and records maintained by Prairie Ridge in its custody or control, whether stored on or off premises, and whether in hard copy or electronic format, from January 1, 2006, to the present, for itself and for the following entities: Prairie Ridge, Veblen East Dairy Limited Partnership, Veblen West Dairy LLP, The Dairy Dozen - Milnor, LLP, d/b/a Five Star Dairy, The Dairy Dozen-Thief River Falls, LLP, d/b/a Excel Dairy, The Dairy Dozen-Veblen, LLP, New Horizon Dairy, LLP, Vantage Cattle Company, LLP, d/b/a Dairy Dozen Heifers, The Dairy Dozen Heifers, LLP, and Shortfoot Calf Ranch, Inc.

B. All bank statements, cancelled checks, check registers, debit memorandums, credit memorandums, deposit slips, NSF notices and evidences of wire transfers relating to any bank or similar account maintained by Prairie Ridge in its name or for the benefit of any of the entities described in paragraph 9.A. above or for the benefit or involving any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

C. All accounts receivable and accounts payable ledgers and journals, all general ledgers and journals, all income statements, balance sheets, trial balances, working papers and related accounting records of Prairie Ridge and any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

D. All payroll records maintained by Prairie Ridge for itself or for the other entities described in paragraph 9.A. above from January 1, 2006, to the present.

E. All loan documents including Promissory Notes, Security Agreements, Mortgages, Loan Agreements, Pledges, Guaranties, Assignments and Bills of Sale relating to Prairie Ridge or to entities described in paragraph 9.A. or any persons or entities known to be owners or related to owners of the above-entitled entities from January 1, 2006, to the present.

F. Copies of all Board meeting minutes and resolutions for Prairie Ridge or for any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

G. Any and all bank statements, cancelled checks, deposits slips and related information involving the Debtor's Debtor-in-Possession accounts.

H. Any and all records maintained by Prairie Ridge for itself or for the entities described in paragraph 9.A. above addressing milk production, milk sales and related payments for any of the above entitled entities from January 1, 2006, to the present.

I. Quick books (complete set) maintained by Prairie Ridge for itself or for any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

J. Copies of all source documents, including receipts, credit memos, debit memos, invoices and purchase orders involving Prairie Ridge or any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

K. Any and all correspondence, whether electronic, handwritten or otherwise, between Prairie Ridge and any of the entities described in paragraph 9.A. above or among any of the entities described in paragraph 9.A. above from January 1, 2006, to the present.

L. Current dairy comp records for all entities described in paragraph 9.A. above.

M. All correspondence and notices regarding environmental issues involving Prairie Ridge and the entities described in paragraph 9.A. above from any non-privileged source from January 1, 2006, to the present.

N. Any and all documents, including but not limited to any correspondence (including electronic mail), agreements, assignments of accounts receivable, accounts payable, equity, or debt from or to any person involving any of the entities described in paragraph 9.A. above.

O. Any and all records concerning the purchase or sale of cattle by Prairie Ridge or involving any of the entities described in paragraph 9.A. above from January 1, 2006, to the present

10. The movants will promptly pay Prairie Ridge the reasonable costs of any copying or retrieval charges incurred as a result of the production of documents.

11. The foregoing dates and times have been discussed and agreed upon between counsel for the Debtor and counsel for movants.

12. Consistent with Rule 2004, movants will also serve a Subpoena Duces Tecum on Prairie Ridge.

WHEREFORE, the movant prays for the following:

(1) An Order requiring Prairie Ridge to make available to movants at its offices located at Veblen, South Dakota, for inspection, copying, review, download and analysis all those documents described in paragraph 9 above, such production to commence on

Wednesday, May 5, 2010, at 8:30 o'clock a.m. and continue until 5:30 o'clock p.m. on May 5, 2010;

(2) An Order requiring Richard Millner to present himself for a 2004 examination on Thursday, May 13, 2010, at the courtroom in the Marshall County Courthouse, located at 911 Vander Horck Avenue, in Britton, South Dakota, such examination to commence at 10:00 o'clock a.m. and continue until adjourned by the movants; and

(3) That the time, place and terms of the examination be changed only upon mutual agreement of the parties and their attorneys or by further Order of the Court.

Dated this 29th day of April, 2010.

WOODS, FULLER, SHULTZ & SMITH P.C.

By /s/ ROGER W. DAMGAARD

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